

The Israeli Roller Coaster between Pandemic, Peace, War and Political Turmoil

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Setting the Scene: Internal Challenges and Opportunities

After over two years without a stable government, Israel's 36th government was sworn in on 13 June 2021. The unity government will have two alternating prime ministers: Naftali Bennet, the leader of Yamina (rightwards in Hebrew), and from August 2023 Yair Lapid, leader of the centrist Yesh Atid party. It comprises factions from across the political spectrum including – for the first time – Ra'am, an Islamic Arab party. The cause that brought this hodge-podge of a coalition together was the goal to unseat Netanyahu as Prime Minister. The unity government will attempt to avoid controversial issues such as annexation, peace with the Palestinians and deep-seated reforms in the legal system, and focus on handling mainstream challenges such as economic growth, homeland security and rehabilitating the healthcare system.

To say that this government has a lot on its plate would be an understatement. The continuous lack of political stability of the past two years has led to incoherent policy-making and a failure to properly pass the annual budgets for 2020 and 2021. The implications vary and include a decrease in the

nominal rate of government investment in Israeli citizens, a halt to economic and social reforms, and even, according to some experts, a possible downgrade of Israel's credit rating.

A change in Israel's leadership is monumental, particularly after PM Netanyahu has held his position for more than twelve consecutive years. The new government brought hope to many, while others remain sceptical – to the point of disbelief – that it will survive. It is certain, however, that a stable government is needed to deal with the mounting social, economic, security and strategic challenges Israel is facing.

Political instability aside, Israel has managed to accomplish a great deal in 2021 when it became the first country to rapidly vaccinate its population. Israel, a small country with excellent public and centralized healthcare infrastructure, was a textbook candidate for an efficacious vaccination operation. In addition, Israel paid both Pfizer and Moderna a high premium for the right to acquire and receive early deliveries of millions of vaccines.

The Honeymoon of the “Abraham Accords”

The concept of “peace,” which in recent years has almost entirely vanished from the Israeli political lexicon in light of the long stalemate in the political process between Israel and the Palestinian Authority, has unexpectedly returned to centre stage during the past year. Since September 2020, Israel has established diplomatic relations with four Arab countries, namely the United Arab Emirates, Bahrain, Sudan and Morocco. The agreement with the UAE has already produced¹ concrete mutual understandings

¹ www.i24news.tv/en/news/israel/diplomacy-defense/1619006690-israel-uae-sign-multi-faceted-healthcare-cooperation-accord

in a variety of areas, including healthcare, trade, innovation and aviation. Cooperation with Bahrain, Sudan and Morocco on different issues is also advancing, albeit at a slower pace and with a more limited scope. The fresh taste of peace aroused in Israelis an appetite for the possibilities that would come with deeper integration in the region. Yet, questions remained regarding the feasibility of additional progress, while the conflict with the Palestinians remains unresolved.

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The “Abraham Accords,” which came decades after Israel’s last peace agreements, signed with Egypt and Jordan in 1979 and 1994, respectively, reflect three key trends. First is the will of Israel and the Arab nations to capitalize on President Trump’s motivation to reach peace agreements during his last months in office to accomplish highly desired political goals. Arab states held a much-founded perception that the “road to Washington passes through Jerusalem,” and, therefore, believed that warming up to Israel would yield returns from the US. These returns were materialized in the form of an arms deal for F-35 fighter jets offered to the UAE, a promise to Sudan that it would be excluded from the American list of countries that support terrorism and American recognition of Morocco’s sovereignty over Western Sahara.

The second key trend is the shared regional threats. These include Iran’s ambition to obtain nuclear capabilities, in addition to its insidious regional activity and the support it provides to terrorist groups in the region; the political Islam camp affiliated with the Muslim Brotherhood and sponsored by Turkey and Qatar; and Salafi-Jihadi groups such as ISIS and al-Qaeda. In recent decades, Israel has developed a low-profile Tacit Security Cooperation (TSC) with

countries in the Gulf to combat these threats. Gradually, some aspects of this TSC came out of the shadows and paved the way towards official and open relations. In fact, the Abraham Accords should be understood as an indirect consequence of the so-called “Arab Spring,” as both sides decided to join forces to contain radical elements that endanger their regional and domestic interests.

Finally, pragmatic Arab states and Israel also share a positive vision for the future of the region. They embrace similar priorities, including strengthening regional stability, gaining economic prosperity, achieving scientific progress and developing natural energy resources, particularly in the Mediterranean. These countries don’t necessarily have a conjoined ideology, but they are like-minded in terms of their agreement on core values, including maintaining the integrity and sovereignty of the nation states and the preference of particular national identities over the transnational pan-Islamic order. These principles were a sufficient foundation for establishing instrumental political, security and economic alliances, and the crystallization of a new regional architecture. The growing Israeli-Arab relations were portrayed² by Emirati and other Arab scholars as a new regional camp of moderation, stability and prosperity. By joining this camp, Israel has publicly become a legitimate regional actor and an integral part of the regional state order. The Abraham Accords opened the door for Israel to upgrade its regional status from an enemy state to a positive player that contributes to the new ethos of regional cooperation and interdependence. Furthermore, as a result, the traditional linkage (anchored in the Arab Peace Initiative) between promoting Arab-Israeli normalization and progress on the Israeli-Palestinian conflict was significantly weakened.

A remaining question is whether the recently signed normalization agreements may help to warm Israel’s “cold” peace with Egypt and Jordan. While Netanyahu’s relations with King Abdullah of Jordan were strained, the security cooperation between Israel and Jordan is solid and Israel’s economic ties with Egypt are moving slowly forward. Israel and Egypt’s energy partnership manifested in 2019 in the foundation of the Eastern Mediterranean Gas Forum

² www.washingtoninstitute.org/policy-analysis/uae-israel-breakthrough-bilateral-and-regional-implications-and-us-policy

(EMGF) and resulted in rare³ mutual visits by both countries' Energy Ministers to Cairo and Jerusalem. In March 2021, the Israeli Intelligence Minister met⁴ with his Egyptian counterpart in Sharm El-Sheikh, while accompanied by a large delegation of Israeli businessmen. However, higher-level public meetings between Israeli and Arab heads of states were not held recently, as the UAE, Egypt and Morocco⁵ alike were reportedly reluctant to host PM Netanyahu, partly due to their concerns it would be interpreted as an interference in Israel's political arena.

Israel-Hamas Escalation: A Test of Old and New Partnerships

In May 2021, an escalation erupted between Israel and Gaza, after Hamas, which controls the Gaza Strip, fired rockets at Jerusalem and Tel Aviv. The Israel Defense Forces (IDF) embarked on an 11-day operation to diminish Hamas' military facilities and capabilities, while Hamas and the Palestinian Islamic Jihad continued to launch over 3,000 missiles at Israeli civilians. This escalation challenged the traditional Israel-US allyship as well as the new emerging Israeli-Arab regional alliance. While Jerusalem-related disputes were used by Hamas as the main pretext for firing rockets at Israel, the movement's motives for initiating a military confrontation in Gaza were also to spoil Israel's growing relations with Arab states following the Abraham Accords. Subsequent to the achievement of a ceasefire agreement with Israel, the Chief of Hamas's Political Bureau, Ismail Haniyeh,⁶ hailed Hamas's "victory," saying it had foiled attempts by Israel to integrate into the Arab world, and "defeated the projects of normalizing [relations] with the Zionist occupation."

It is still too early to assess whether, and to what extent, the "honeymoon" period of the Abraham Accords might be over. However, Israel's Arab peace partners found themselves in an uneasy situation. On the one hand, countries such as the UAE, Bah-

rain and Egypt see Hamas as a branch of the Muslim Brotherhood. These and other pragmatic Arab states share with Israel the notion of Hamas as a radical terror organization, which endangers peace, security and stability in the region. Yet, mainly due to public opinion considerations, their declared positions varied: while most Arab countries bluntly condemned Israel; the UAE took a rather neutral stance. Its Foreign Minister, Sheikh Abdullah bin Zayed,⁷ called all parties to work towards a de-escalation of the conflict. Once the conflict ended, the UAE offered⁸ to play a role in Israel-Palestine peace talks and support the Egyptian efforts for the reconstruction of Gaza.

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A New Man in the White House

As Israel's greatest and most prominent ally, America plays a central role in Israeli decision-making and strategic calculations. The Trump Administration acted as a staunch supporter of Israel and took steps that even Israelis were surprised by, such as moving the American embassy to Jerusalem, recognizing the Golan Heights as Israeli territory, disengaging formal relations with the Palestinian Authority, and brokering peace between Israel and Arab nations. It was no surprise, then, that Israel was wary of a Democratic administration, even if the then-candidate Joe Biden was considered to be a lifelong friend of Israel. These concerns were somewhat substantiated in Biden's first few months in office. First, notwith-

³ www.timesofisrael.com/rare-visit-to-israel-by-egypts-oil-minister-sends-signals-to-biden-erdogan/

⁴ www.atlanticcouncil.org/blogs/menasource/lessons-from-israel-and-egypts-lukewarm-peace/

⁵ www.timesofisrael.com/for-israel-endless-electoral-discord-carries-perils-for-ties-with-arab-world/

⁶ www.i24news.tv/en/news/israel/diplomacy-defense/1621613803-haniyeh-hamas-victory-reversed-the-trend-of-arab-normalization-with-israel

⁷ www.wam.ae/en/details/1395302934790

⁸ www.theguardian.com/world/2021/may/23/uae-offers-to-play-role-in-israel-palestine-peace-talks/may/23/uae-offers-to-play-role-in-israel-palestine-peace-talks

standing his public remarks on supporting the Abraham Accords, the Biden Administration re-neged⁹ on its predecessor's commitment to supply the UAE with F-35 fighter jets. Second, Biden's apparent commitment to return to the JCPOA nuclear agreement with Iran made both the security and the political echelons in Israel leery. Having said that, it does seem that the Biden Administration, as did Israel, has learned from the mistakes made during the JCPOA negotiations under President Obama. Both Israel and the Biden Administration are taking a more cooperative approach during the Vienna talks. During his first Middle East tour, Secretary of State Antony Blinken stated¹⁰ that the US is "consulting closely with Israel... on the ongoing negotiations in Vienna around a potential return to the Iran nuclear agreement."

During the Gaza escalation, President Biden and his administration have reportedly¹¹ been heavily involved in intensive high-level engagement with Israel, Egypt, the Palestinian Authority and other Middle Eastern countries throughout the conflict. When the conflict subsided and the ceasefire – brokered by Egypt – became official, President Biden commended Israel's decision to agree to end hostilities. In his speech, the President managed to show that America still stood with Israel and defended Israel's right to defend itself, while expressing his commitment to achieving progress on the Israeli-Palestinian conflict. Israeli decision-makers likely heaved a sigh of relief. President Biden did not cave in to progressive voices in Congress criticizing Israel and

outspoken about Palestinian rights. That is not to say that these voices should not concern Israel. As they become more dominant in liberal discourse, they might affect the Israel-US partnership.

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The Middle East, and particularly the Israeli-Palestinian conflict, was not a high priority for the incoming Biden Administration. Nevertheless, like many presidents before him, the turn of events have drawn President Biden back to the region. France, Germany, Egypt and Jordan also held several meetings¹² in order to revive the Israeli-Palestinian peace process. Only time will tell how involved the US and the EU will be in these efforts. It is likely, however, that the new unity government in Israel will attempt to avoid this issue to keep the considerable ideological gaps among coalition factions from rising and leading to its fast collapse.

⁹ www.defenseworld.net/news/28847/Biden_Administration_Suspends_F_35_Sale_to_U_A_E_#.YLC5t6gzY2w

¹⁰ www.reuters.com/world/middle-east/blinken-says-us-consulting-with-israel-over-iran-nuclear-talks-2021-05-25/

¹¹ www.axios.com/gaza-crisis-israel-biden-response-3119a844-357a-4f5f-ba7e-3c497475893a.html

¹² <https://reliefweb.int/report/occupied-palestinian-territory/joint-statement-ministers-foreign-affairs-egypt-france-germany>